



Panhandle News

BENEWAH, BONNER, BOUNDARY, KOOTENAI & SHOSHONE COUNTIES

ECONOMIC TRENDS

The Kootenai County's October unemployment rate edged up slightly to 3.8 percent from 3.7 percent in September as relatively cool, rainy weather slowed construction, logging and tourism. Although the number of unemployed workers increased slightly, total employment managed to grow 0.5 percent. With population increasing nearly as fast as it did during its peak growth in 1994, many people are joining the labor force each month. Most are finding jobs relatively quickly, but while they are looking for work, they are counted as unemployed. Kootenai County's unemployment rate in October was considerably lower than the 5 percent rate a year earlier. Total employment rose an incredible 8.3 percent during that 12-month period. The nation counted itself fairly fortunate with growth at 2 percent during the same period.

Celebrating the Region's Growth

The Panhandle counties enjoyed especially strong employment growth last year and this year while the United States has experienced relatively slow growth. Panhandle Table 2 shows how much faster all of the Panhandle counties have grown since 2002. Shoshone County lost employment between 2002 and 2003 but has roared back. Between October 2003 and October 2005, its employment grew 6.8 percent, exactly twice as fast as U.S. employment.

Most of the Panhandle counties have seen their unemployment rates drop to unprecedented lows over the last three years as shown by Panhandle Table 3 on page 8.

Panhandle Table 2: Percentage Growth of Employed Residents October 2002 to October 2005

Panhandle	19.9%
Benewah County	8.9%
Bonner County	17.5%
Boundary County	19.5%
Kootenai County	23.0%
Shoshone County	3.1%
State of Idaho	14.3%
United States	4.2%

Panhandle Table 1: Coeur d'Alene MSA Labor Force & Employment Kootenai County

	Oct 2005*	Sep 2005	Oct 2004	% Change From	
				Last Month	Last Year
INDIVIDUALS BY PLACE OF RESIDENCE					
Seasonally Adjusted					
Civilian Labor Force	69,000	68,620	64,490	0.6	7.0
Unemployed	2,610	2,540	3,200	2.8	-18.4
% of Labor Force Unemployed	3.8%	3.7%	5.0%		
Total Employment	66,390	66,080	61,290	0.5	8.3
Unadjusted					
Civilian Labor Force	68,790	68,890	64,260	-0.1	7.0
Unemployed	2,120	2,000	2,680	6.0	-20.9
% of Labor Force Unemployed	3.1%	2.9%	4.2%		
Total Employment	66,670	66,890	61,580	-0.3	8.3
JOBS BY PLACE OF WORK					
Nonfarm Payroll Jobs** - NAICS	54,880	55,150	51,110	-0.5	7.4
Goods-Producing Industries					
Natural Resources & Mining	440	440	430	0.0	2.3
Construction	5,600	5,560	4,910	0.7	14.1
Manufacturing	4,380	4,430	4,130	-1.1	6.1
Wood Product Manufacturing	980	1,010	990	-3.0	-1.0
Other Manufacturing	3,400	3,430	3,140	-0.9	8.3
Service-Providing Industries					
Trade, Transportation, & Utilities	10,220	10,070	9,520	1.5	7.4
Wholesale Trade	1,370	1,370	1,240	0.0	10.5
Retail Trade	7,890	7,730	7,320	2.1	7.8
Transportation, Warehousing & Utilities	960	970	960	-1.0	0.0
Information	1,030	1,060	1,040	-2.8	-1.0
Financial Activities	2,730	2,740	2,450	-0.4	11.4
Professional & Business Services	6,330	6,400	5,830	-1.1	8.6
Educational & Health Services	5,660	5,590	5,320	1.3	6.4
Leisure & Hospitality	7,230	7,760	6,650	-6.8	8.7
Other Services	1,630	1,650	1,490	-1.2	9.4
Government Education	3,760	3,500	3,560	7.4	5.6
Government Administration	5,140	5,220	5,100	-1.5	0.8
Government Tribes	730	730	680	0.0	7.4

* Preliminary estimate

**Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

Normal Seasonal Slide

In October, the Panhandle entered its normal seasonal slide. Nonfarm payroll jobs usually peak in August or September in the region, depending on weather conditions. There are many jobs lost at the end of summer in tourism, but often the increase in public school employment totally offsets that loss.

Between September and October, the region usually loses more than 800 jobs—many of them from tourism facilities, retail facilities serving high numbers of summer residents or tourists, the U.S. Forest Service and the state parks. Then there is a net loss of about 700 jobs a month from both October to November and November to December. Job gains at the ski areas and at retailers preparing for Christmas offset some of the losses in construction as many construction projects are completed.

Panhandle Table 3: Unemployment Rates in the Month of October, 2002 to 2005

	2005	2004	2003	2002
Panhandle	3.5	4.5	5.7	9.8
Benewah County	5.4	6.0	7.0	13.4
Bonner County	3.6	4.5	5.9	9.8
Boundary County	5.6	5.3	7.9	10.8
Kootenai County	3.1	4.2	5.1	9.0
Shoshone County	5.8	7.0	9.4	15.0
State of Idaho	3.0	3.8	4.4	6.6
United States	4.6	5.1	5.6	5.3

The biggest job loss of the year comes between December and January, when retailers shed 450 jobs and another 1,150 jobs are lost in call centers, temporary employment agencies, construction and tourism. The loss of those jobs means reduced income for many families, which curtails their spending to result in job cuts in retail and services. Fortunately, unemployment insurance benefits prevents those reductions in spending from being as steep as they otherwise would be, helping to keep more people working.

Usually, another 200 jobs are lost between January and February when the ski areas reduce employment from their New Year's weekend peaks. Then jobs begin reappearing between February and March.

In timber communities, the months of lowest employment normally are February and March when muddy roads force counties and the U.S. Forest Service to limit loads, putting many loggers out of work.

The net result over the five months is the loss of 4,000 jobs. The industries most affected are tourism, which normally loses 1,500 jobs; construction, which sheds 1,000 jobs; professional and business services, where 600 jobs are lost primarily at call centers, temporary employment agencies, land surveyors and grounds keeping and landscaping companies; U.S. Forest Service and other federal and state land management agencies, which cut 400 jobs; retail stores, which lose 250 jobs; and logging and gravel and open-pit mining, where 200 jobs are temporarily eliminated. Other sectors also lose jobs, but their losses are made up by the normal job gains in health care and education.

AREA DEVELOPMENTS

Benewah County

- Santa, an unincorporated community located on Idaho Highway 3 about 15 miles south of St. Maries, is home to fewer than 150 people, but it gets quite a bit of attention this time of year because of its name. Children across the United States send cards for Santa Claus to the Santa post office because they treasure the return postmark. Now some marketing executives are hoping that people will really notice when Santa changes its name to SecretSanta.com. They persuaded the only incorporated government in the community, the Fernwood/Santa Water & Sewer District, to change Santa's name for a couple of years. They will use the name

change to advertise a Web site that is used as a gift exchange planner by Fortune 500 companies and Wall Street firms. In return for agreeing to the name change, the water district will get at least \$20,000 badly needed for improvements. The water system does not provide the pressure required to fight fires. By the end of December, signs entering town will display SecretSanta.com. The parents and grandparents of young children do not need to worry; the post office will still postmark cards Santa.

Kootenai County

- America's Cheesecake Café recently opened a \$3 million, 6,800-square-foot restaurant at U.S. 95 and Hanley Avenue in Coeur d'Alene. The 180-seat restaurant—along with a bar, 40-seat meeting room and a summer patio—employs more than 100 people. The restaurant offers a wide range of main dishes as well as its signature European-style cheesecakes.
- Mountain Comfort Furnishings and Design will open by mid-January in a 9,000-square-foot section of the former Rosauers grocery at U.S. 95 and Appleway in Coeur d'Alene.
- Chadd Harbaugh, founder and owner of a law enforcement and military training company in Boise, recently purchased a 550-acre dude ranch near Harrison. His Government Training Institute will offer training courses for law enforcement and military personnel. When training sessions are not going on, the ranch still will offer tourists a chance to enjoy its great recreational opportunities under the name Red Horse Mountain Lodge. When it opens in late spring, it will employ about 20 people.
- F.O. Berg Co., a 122-year-old Spokane business that makes tents and strong industrial fabrics, plans to expand into the new urban renewal district along Seltice Way in Post Falls. One of the attractions is that Post Falls is designated a federal HUBZone, or "historically underutilized business district," which gives businesses located there special preference on federal contracts. Many of Berg's sales are to the military and federal agencies. Berg employs about 100 people in the Spokane Industrial Park.
- The answer to many children's Christmas dreams could be found at Figpickles, the new toy store in downtown Coeur d'Alene. A mile down Sherman Avenue, Mike McCoy and Russ Cousins recently opened Cheapskates, a 5,000-square-foot discount store selling a wide variety of overstocked items.

Shoshone County

- The Cedar Street Emporium opened in early December in Wallace. The store sells antiques, furniture and a variety of other items on consignment.

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